GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3138
ANSWERED ON:20.12.2004
MINIMUM SUPPORT PRICE POLICY
Chandel Shri Suresh

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Minimum Support Price (MSP) policy is in force in the country;

(b) if so, the details of MSP for all agricultural produce and foodgrains during the last three years;

(c) the measures adopted by the Government to safeguard the interests of the farmers in case the market prices falls below the MSP; and

(d) the details of the crops, the prices of which fell below the MSP during the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): Yes, Sir.

(b): A statement indicating the Minimum Support Prices (MSPs) of agricultural commodities fixed in recent years is annexed.

(c) & (d): The main objective of price policy for agricultural produce is to ensure remunerative prices to the growers for their produce. With a view to safeguard the interest of the farmers, Government organizes purchase operations through public and cooperative agencies such as Food Corporation of India (Wheat, Paddy & Coarse Cereals), Jute Corporation of India (Jute), Cotton Corporation of India (Cotton), National Agricultural Cooperative Marketing Federation of India (NAFED) (Pulses and Oilseeds) and Tobacco Board (Tobacco), besides other agencies designated by the State Governments for procurement of commodities for which MSP has been announced.

The wholesale prices of agricultural commodities are constantly monitored and instances of market prices ruling below the MSPs are referred to the respective designated central nodal agencies for undertaking procurement operations. The designated central nodal agencies are required to intervene in the market for undertaking price support oprations in case the prices fall below the MSP level fixed by the Government. In the immediate post harvest period the prices tend to fall below the MSP in certain centers in respect of certain crops. During the last three years the prices of paddy, wheat, jowar, bajra, maize, barley had fallen below MSP in certain centers for varying period of time. the prices of pulses have generally prevailed above MSP with only occasional fall below MSP in case of arhar (tur), urad, moong and gram in some centers.

Annexure-I

REGARDING MINIMUM SUPPORT PRICES FOR AGRICULTURAL PRODUCTS DUE FOR ANSWER ON 20.12.2004

MINIMUM SUPPORT PRICES (According to Crop Year)
(Rs. per quintal)

Sl.No.	Commodity	Variety	1998-99 Spl. Drought relief price	99-2000	2000-01	2001-02	2002-03 MSP 2004-05	2003-04	2004-05	increase in(#) over 2003-04
1	PADDY	Common	440	490	510	530	530	20	550	560 10(1.8)
		Grade `A`	470	520	540	560	560	20	580	590 10(1.7)
2	JOWAR		390	415	445	485	485	5	505	515 10(2.0)
3	BAJRA		390	415	445	485	485	10	505	515 10(2.0)
4	MAIZE		390	415	445	485	485	5	505	525 20(4.0)
5	RAGI		390	415	445	485	485	5	505	515 10(2.0)
6	WHEAT		550	580	610	620	620	10	630	640 10(1.6)
7	BARLEY		385	430	500	500	500	5	525	540 15(2.9)
8	GRAM		895	1015	1100	1200	1220	5	1400	1425 25(1.8)
9	ARHAR(Tur)		960	1105	1200	1320	1320	5	1360	1390 30(2.2)
10	MOONG		960	1105	1200	1320	1330	5	1370	1410 40(2.9)

11 URAD 960 1105 1200 1320 1330 5 1370 1410 40(2.9)
12 MASUR (LENTIL)## - - 1200 1300 1320 5 1500 1525 25(1.7)
13 SUGARCANE@ 52.70 56.10 59.50 62.05 69.50 - 73 74.50 1.50(2.0)

14 COTTON F-414/H-777/J34 1440 1575 1625 1675 1675 20 1725 1760 35(2.0)
H-4 1650 1775 1825 1875 1875 20 1925 1960 35(1.8)

15 GROUNDNUT 1040 1155 1220 1340 1355 20 1400 1500 100(7.1)
IN SHELL
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16 JUTE TD-5 650 750 785 810 850 - 860 890 30(3.5)
17 RAPESEED/MUSTARD 1000 1100 1200 1300 1330 10 1600 1700 100(6.3)
18 SUNFLOWER SEED 1060 1155 1170 1185 1195 15 1250 1340 90(7.2)
19 SOYABEEN BLACK 705 755 775 795 795 10 840 900 60(7.1)
YELLOW 795 845 865 885 885 10 930 1000 70(7.5)
20 SAFFLOWER 990 1100 1200 1300 1300 5 1500 1550 50(3.3)
21 TORIA 965 1065 1165 1265 1295 10 1565 1665 100(6.4)

22 TOBACCO(VFC) Black Soil 22.50 25.00 26.00 27.00 28.00 - 31.00
(F2 Gr)

(Rs. per kg.) Light Soil 25.50 27.00 28.00 29.00 30.00 - 33.00
(L2 Gr)

23 COPRA Miling 2900 3100 3250 3300 3300 - 3320 3500 180(5.4)
(Calender Year) Ball 3125 3325 3500 3550 3550 - 3570 3750 180(5.0)
24 SESAMUM 1060 1205 1300 1400 1450 5 1485 1500 15(1.0)
25 NIGERSEED 850 915 1025 1100 1120 - 1155 1180 25(2.2)

@ Statutory Minimum Price (SMP) linked to a basic recovery of 8.5 % with proportionate premium for every 0.1% increase in recovery above that level. The SMP for 2002-03 includes the one time drought relief of Rs. 5 per quintal recommended by CACP.

The MSP for masur(lentil) has been fixed from the crop year 2000-01.

Figures in brackets indicate percentage increase.